



# HOUSE OF REPRESENTATIVES

HB 2524

uniform firearms transfer compact

Prime Sponsor: Representative Thorpe, LD 6

---

**DP** Committee on Judiciary

**DP** Caucus and COW

**X** House Engrossed

---

## **OVERVIEW**

HB 2524 enacts a Uniform Firearms Transfer Compact (Compact).

## **PROVISIONS**

1. Enacts the Compact, which becomes effective once at least two states legislatively adopt the Compact. The Compact is comprised of five articles as follows:
  - a. Findings and Declaration of Policy
  - b. Definitions
  - c. Compact Membership and Withdrawal
  - d. Uniformity Requirement
  - e. Construction, Enforcement, Venue and Severability
2. Prohibits member states from creating, imposing or enforcing:
  - a. Any tax, fee, penalty, mandate or regulation in addition to federal law that burdens the transfer of firearms to any person; or
  - b. Any civil or criminal liability that is not imposed under federal law in connection with the transfer of firearms by any person.
3. Exempts:
  - a. The transfer of a firearm if it is an element of a criminal or civil cause of action that involves:
    - i. Violence (including attempted or threatened),
    - ii. The violation of property rights (including attempted or threatened),
    - iii. Controlled substances,
    - iv. Actual fraud,
    - v. Breach of contract, or
    - vi. Intentional or negligent misconduct that causes or threatens personal or economic injury.
  - b. Anything specified in a member state's addendum that meets specific criteria.
4. Designates un rebutted evidence that a law, regulation, policy, prosecution, administrative or enforcement action violates the Compact as a complete defense in all member states against any civil or criminal proceeding related to the transfer of a firearm. Only applicable if the proceeding arises from the authority of the law, regulation or policy.
5. Awards all legal expenses to the prevailing party in the defense.

6. Grants a vested right to intended third party beneficiaries (Beneficiary) of the Compact and lists persons considered Beneficiaries.
7. Automatically repeals any conflicting laws, regulations or policies that exist on the effective date of the Compact.
8. Allows a majority of member states to organize an Interstate Alternative Dispute Resolution Commission (Commission) to mediate or settle disputes, claims or causes of action that arise between or among member states and Beneficiaries. The Commission:
  - a. Is created through the passage of legislation by the member states.
  - b. May have either binding or nonbinding authority.
9. Provides that each state offers to perform and comply strictly in accordance with the Compact in becoming a member state. The offer is reliant on the mutual and reciprocal nature of other member states.
  - a. The offer to become a member state is accepted when notice is received by the member state's Governor or executive officer.
  - b. Each article of the Compact is enforced as a sovereign agreement that is legally and contractually binding on each member state.
10. Allows member states the option to withdraw from the Compact or propose amendments to the Compact during the following times:
  - a. Every 10<sup>th</sup> year after the enacting legislation;
  - b. When a special session is called specifically to amend or withdraw from the Compact. Written notice of the special session must be given to each member state at least 30 days before the session convenes;
  - c. On written, unanimous consent of all member states.
11. Makes an amendment to the Compact effective only if it is adopted legislatively by a 2/3rds majority of member states within three years of the first enactment. Non-adopting member states are then deemed to be withdrawn from the Compact, unless the amendment doesn't affect them.
12. Permits a member state to repeal any or all provisions of an addendum to the Compact that it created. The remainder of the Compact is not affected.
13. States that a withdrawal or amendment that is only intended to affect one member state does not affect the validity or applicability of the Compact for the remaining member states, as long as there are at least two remaining member states.
14. States that any violation of the Compact is a material breach of the Compact.
15. Grants standing to any Beneficiary to seek declaratory, injunctive or other relief to enforce the Compact if:
  - a. The Beneficiary gives reasonable notice of alleged noncompliance to both the entity responsible for noncompliance and the Attorney General (AG) within 60 days of discovering noncompliance;
  - b. The entity fails to cure the noncompliance within 30 days of receiving notice; and
  - c. The AG fails to enforce the Compact by filing an appropriate action to ensure compliance within 60 days of the expiration of the cure period.
16. States that the Compact must be liberally construed.

17. Severs any phrase, clause, sentence or provision that is declared invalid in a final judgment by a court of competent jurisdiction. This does not affect the validity of the remainder of the Compact.
  - a. If the Compact is declared invalid through a final judgment by a court of competent jurisdiction in a member state, the member state is deemed to have withdrawn from the Compact. The Compact remains in full force and effect for other remaining member states.
  - b. If the Compact is declared in final judgment by a court of competent jurisdiction to be wholly or substantially in violation of [Article I, § 10 of the United States Constitution](#), it will be enforced as reciprocal legislation.
18. Defines *compact*, *member state*, *notice*, *federal law* and *state*.
19. Becomes effective at the earliest date permitted by law.

#### **CURRENT LAW**

[A.R.S. § 13-3108](#) prohibits any political subdivision of the state from enacting any ordinance, rule or tax relating to the sale, transfer, purchase, acquisition or gift of firearms, ammunition, related components or accessories. The statute exempts privilege or use tax on the retail sale, lease or rental of firearms, ammunition or related components at a rate that generally applies to other items of tangible personal property (Subsection G, paragraph 1). Additionally, [A.R.S. § 13-3118](#) prohibits any state agency or political subdivision from enacting or implementing any law, rule or ordinance relating to the possession, transfer or storage of firearms that isn't provided for in statute, with specific exemptions. The statute does not specifically address taxes, fees, assessments or encumbrances as related to firearm transfers.

Federal law ([18 USC § 922\(g\)](#)) prohibits the out-of-state transfer of a firearm between two unlicensed persons. In order to transfer a weapon between two persons in different states, a Federal Firearms Licensee (FFL) is required to complete the transaction and a background check must be initiated (except in specific situations). An unlicensed person may transfer a firearm to another unlicensed person within the same state; the transaction does not require an FFL and no background check is required.

[Article I, § 10, clause 1 of the United States Constitution](#) prohibits states from enacting any law that retroactively impairs a contract (commonly referred to as the "Contract Clause"). [Article VI, clause 2 of the United States Constitution](#) is commonly referred to as the "Supremacy Clause." It establishes that the United States Constitution, federal laws and treaties take precedence over state laws and state constitutions. [4 USC § 112](#) permits two or more states to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of criminal laws and policies.